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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 000632

SIPDIS

STATE PASS AIT/W

E.O. 12958: DECL: 02/17/2015

TAGS: PGOV PREL TW SUBJECT: TAIPEI MAYOR MA WILL SEEK KMT CHAIRMANSHIP

REF: 04 TAIPEI 04007

Classified By: AIT Director Douglas Paal, Reason: 1.4 (B/D)

 $\P 1.$ (C) Summary: In a move that may dramatically alter the future direction of the KMT, Taipei City Mayor and KMT Vice Chairman Ma Ying-jeou announced on February 14 he intends to run for party chairman. Current Chairman Lien Chan has publicly claimed that he favors a leadership transition, but rumors abound that Lien intends to remain in his current position. Ma's long-time rival, Legislative Yuan (LY) President Wang Jin-pyng, has recently come out in public behind Lien's remaining as chairman for another term. Although many in the KMT are still guarded about their allegiance, Ma's announcement has already lifted the spirits of reformists within the KMT. Conservatives, who would likely lose both power and financial security under a Ma-led KMT, have been quick to criticize Ma's candidacy. They are likely to seek to use their control over the KMT apparatus to block Ma. End Summary.

The (Belated) First Salvo

- 12. (C) Taipei City Mayor and KMT Vice Chairman Ma Ying-jeou on February 14 openly stated for the first time his intention to seek the KMT Chairman position. When asked by reporters whether he would seek the KMT's top post, Ma replied that he would "give it a try," setting the stage for a major showdown with the KMT establishment over the party's future. Ma said he was willing to compete against LY President and fellow KMT wise Chairment was a line was the chairment when the compete the chairment was a single stage. Vice Chairmans Wang Jin-pyng for the chairmanship, adding that the election should be held in an open and direct way.
- 13. (C) Current Chairman Lien Chan had said earlier during the Lunar New Year holiday that he favored gradually turning the party over to the next generation of politicians. Nevertheless, Lien was reportedly brusque when Ma broached the issue of running for the KMT's top post when the two met twice earlier in February. A number of older KMT heavyweights have recently advocated Lien's remaining in office for another term.

Wang: The Loyalist with an Agenda

 $\P4$. (C) Long-time Ma rival Wang Jin-pyng publicly wished Ma the best in the election, however, he stated that he intended to support Lien for the chairmanship if Lien wishes to remain. Su Chi, a long-time Lien advisor and newly-elected KMT Legislator, told AIT that Wang's statements are an attempt to ingratiate himself and portray Ma's candidacy as a challenge to Lien. Su explained that Wang is hoping that Lien would openly endorse him as his heir apparent and throw the weight of the KMT party machine behind Wang's candidacy.

A Free and Fair Election?

- 15. (C) How the KMT party apparatus organizes the upcoming election may decide the next chairman. KMT Overseas Affairs Director Ho Szu-yin told AIT on February 15 that in the wake of Ma's announcement, the KMT Organizational Development Committee hastily convened to figure out how a leadership election would proceed. Saying that a two-man race for the chairmanship is a positive development, Ho said that "the KMT has to go through this growing pain." He explained that in order for the party to continue reforming it is extremely important that the new chairman not be hand-picked by the party elite. However, he admitted that the KMT has never faced a truly democratic leadership election and would need time to work out the procedures. Ho pointed out that there are 1.02 million members on paper and the party does not know whether voting rights should be limited to those members who have paid their annual registration fee or be extended to all card carrying members.
- ${ t \underline{\P}}6 extbf{.}$ (C) KMT reformists tell AIT that Lien and Wang are likely to try to limit the voting pool in order to exploit their influence within the Pan-Blue organization. Wang has long cultivated support within the KMT party apparatus, both at the senior level in Taipei and among various local chapters. In contrast, Ma has assiduously avoided involvement in party operations, in part to maintain his squeaky clean public

image. Ma advisors say that an open race among the entire KMT membership would clearly favor the popular Taipei Mayor, but they fear that KMT conservatives will restrict the voting poll to party activists.

Friends and Foes

17. (C) While longtime Ma supporters Taichung City Mayor Jason Hu and Taoyuan County Magistrate Eric Chu have publicly lauded Ma as the "best choice," other key supporters have been more cautious. Su Chi told AIT that most KMT legislators are currently unwilling to reveal their allegiances. Su pointed out that, because Wang is the LY speaker, KMT Legislators cannot afford to alienate him. conservatives have been less circumspect. A number of influential KMT party elders have openly criticized Ma for considering a run for party leadership. One KMT senior advisor, Hsu Li-nung, who is 86 years old, criticized Ma as "too young" to serve as chairman (Comment: Ma is 54, one year older than President Chen Shui-bian. End Comment). Former Control Yuan President Wang Zuo-rong told reporters on February 14 that Ma should do a better job as Taipei Mayor before he even thinks about the party chairmanship.
Recently, Ma's popularity hit record lows in several polls after a series of incidents permitted criticisms of his handling of Taipei's health care system. KMT insiders told AIT that the old guard actually prefers People First Party (PFP) Chairman James Soong to return as KMT Chairman (Septel). Ma responded to KMT conservative critics of his candidacy, telling a local KMT chapter on February 15 that he is confident he can handle being both Taipei Mayor and KMT Chairman.

Comment: A High Stakes Battle

18. (C) KMT reformists have waited impatiently for nearly two years (since Lien started to court the PFP) for Ma to challenge the party old guard and lead the party back to the Taiwan political mainstream. Ma's announcement most likely shocked KMT conservatives, who had sought to portray the KMT's better than expected December 11 election showing as a vindication of their leadership approach. For the current KMT leadership, more is at stake in the upcoming party election than the post of party chairman. If Ma succeeds, he is likely to build on the reform efforts he started as Justice Minister and seek fundamental changes in the party's structure, financing, and political orientation. Conservatives and party stalwarts have much to lose in a serious reform effort and are not likely to give up without a fight. However, Ma has just as much to lose by allowing Lien and his coterie to postpone KMT reforms for another four years. PAAL